

Stock code: 6808

Financial Results Announcement
For the six months ended 30 September 2022



新鲜•便宜•舒适•便利

Fresh - Inexpensive - Comfortable - Convenient



Financial Results Announcement
For the six months ended 30 September 2022



Speakers



Operating Environment



Expansion Status



Financial Highlights



Strategy Progress



Q&A



Kevin Lin

Chief Executive Officer and **Executive Director**



Desory Wan

Chief Financial Officer



Xiaobei Gu

Head of **Investor Relations**

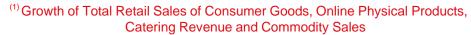
3份上海3份大润发

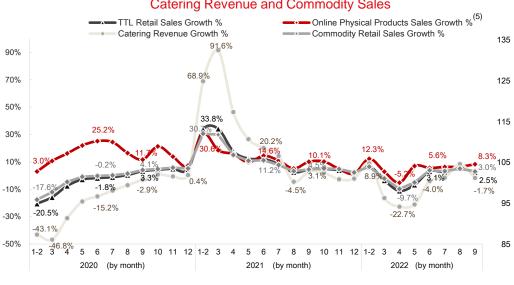


OPERATING ENVIRONMENT



Retail Group Limited | For the six months ended 30 September 2022





(3) Growth Rate of Consumer Price Index (CPI)

50

40

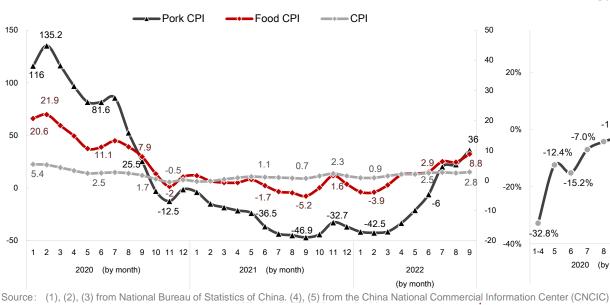
30

20

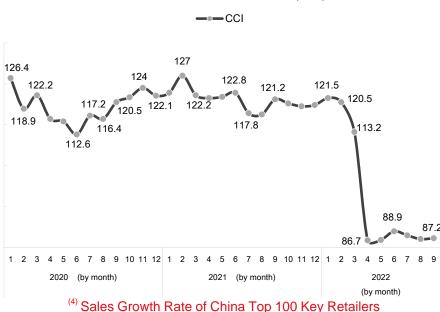
10

-10

-20%



(2) Consumer Confidence Index (CCI)





多多大润发

EXPANSION STATUS





As of 30 September 2022

Inner Mongolia Autonomous Region Heilongjiang (north) Jilin Xinjiang Uygur Inner Mongolia Liaoning Autonomous Region Autonomous Region Beijing Tianjin (west) Ningxia Hebei Autonomous Region Qinghai Shanxi Shandong Gansu Tibet Jiangsu Shaanxi Henan Shanghai Anhui Sichuan Hubei Zhejiang Chongqing Hunan Guizhou **Fujian** Guangxi Yunnan Taiwan Zhuang Guanadona Autonomous Region

Region	No. of stores				GFA (sqm)			
	(as of 30 September 2022)				(as of 30 September 2022)			
	Hyper- market	Super- store	Mini Store	Total	Hypermarket	Superstore	Mini Store	Total
Eastern China	185	5	71	261	5,442,613	48,082	14,605	5,505,300
Northern China	51	2	0	53	1,327,103	16,261	0	1,343,364
N-Eastern China	54	2	0	56	1,724,824	15,800	0	1,740,624
Southern China	98	0	0	98	2,417,944	0	0	2,417,944
Central China	75	1	28	104	1,940,391	6,425	6,651	1,953,467
Western China	25	0	0	25	668,610	0	0	668,610
Total	488	10	99	597	13,521,485	86,568	21,256	13,629,309

GFA breakdown

Leased.

67.2%

Store no. breakdown

Owned

23.1%

New opening of

New opening of

New opening of

Note: During the reporting period, one superstore was converted into hypermarket, which was not included in

Note: GFA breakdown and store number breakdown only include hypermarkets and superstores.

Fresh - Inexpensive - Comfortable - Convenient

Owned.

32.8%

the new opening of hypermarkets.



Hainan



















Leased, 76.9%







	For the six months ended 30 September				
RMB in million	2022	2021	Change		
Revenue (1)	40,611	41,534	-2.2%		
Gross Profit	10,112	10,933	-7.5%		
Gross Profit Margin	24.9%	26.3%	- 1.4ppt		
EBIT	500	560	-10.7%		
EBIT Margin	1.2%	1.3%	-0.1ppt		
Profit for the period	-87	112	-177.7%		
Net Profit Margin	-0.2%	0.3%	-0.5ppt		
Profit attributable to equity shareholders	-69	117	-159.0%		
Earnings per share - Basic and diluted (RMB) (2)	-0.01	0.01			

Note: The Group has initially applied HKFRS 16 at 1 January 2019.

Financial Results Announcement

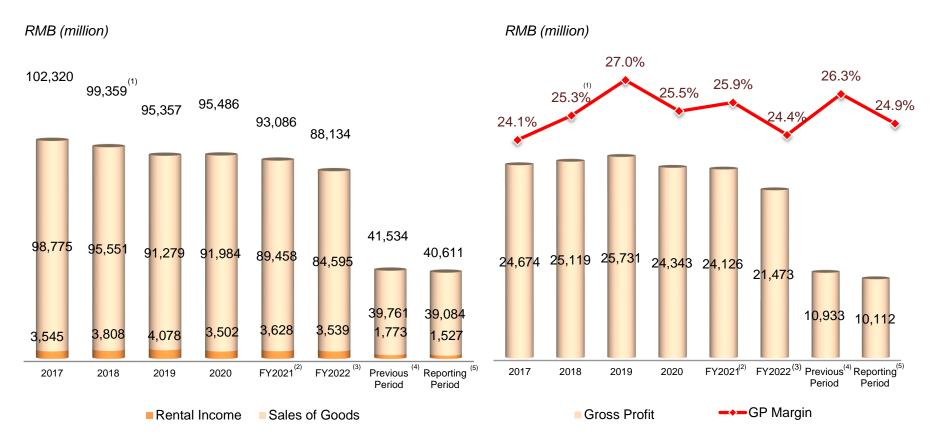
⁽¹⁾ In our electronic appliance department, the business model was changed from self-operation to consignment from August 2018. Since then, only consignment fees received have been recognized in revenue instead of gross sales.

⁽²⁾ The calculation of basic and diluted EPS is based on the weighted average number of 9,539,704,700 ordinary shares in issue during the period.

Revenue

Financial Results Announcement

Gross Profit and Margin



Note:

⁽⁵⁾ Reporting Period: the six months ended 30 September 2022, hereinafter the same.



⁽¹⁾ In our electronic appliance department, the business model was changed from self-operation to consignment from August 2018. Since then, only consignment fees received have been recognized in revenue instead of gross sales.

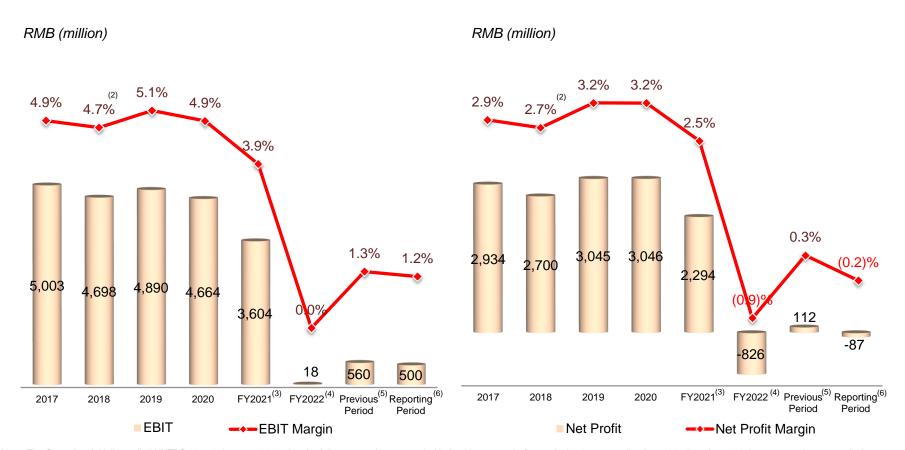
^{(2), (3)} The Group changed the financial year end date from December 31 to March 31 in 2020. Therefore, FY2021 and FY2022 show the major indicators of the financial results for the twelve months ended March 31, 2021 (unaudited) and March 31, 2022 respectively.

⁽⁴⁾ Previous period: the six months ended 30 September 2021, hereinafter the same.

Operating Profit

Financial Results Announcement

Net Profit⁽¹⁾and Margin



Note: The Group has initially applied HKFRS 16 at 1 January 2019 using the full retrospective approach, Inder this approach, figures in the 4 years earlier than 2019 (i.e. since 2015) are restated retrospectively. (1) Showing profit for the period, i.e. including the non-controlling interests.

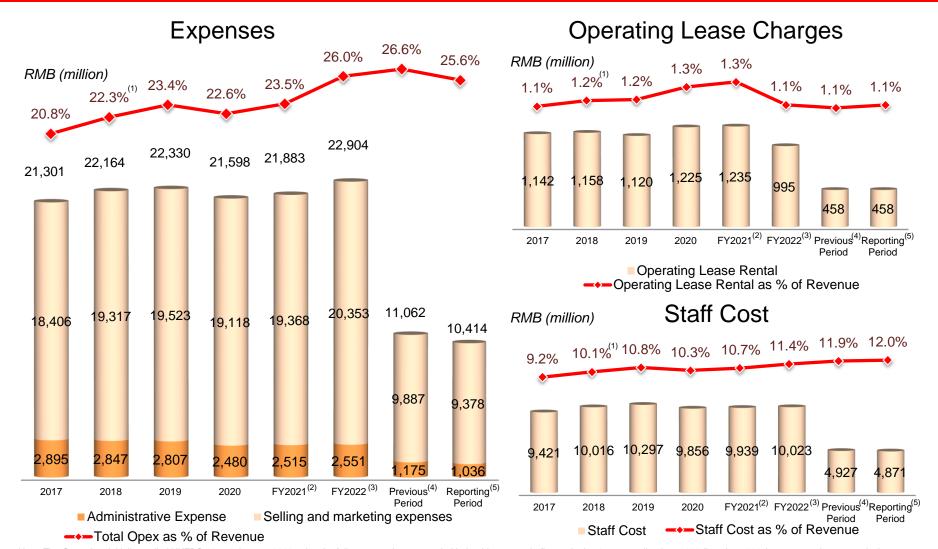
- (5) Previous period: the six months ended 30 September 2021, hereinafter the same.
- (6) Reporting Period: the six months ended 30 September 2022, hereinafter the same.

新鲜•便宜•舒适•便利



⁽²⁾ In our electronic appliance department, the business model was changed from self-operation to consignment from August 2018. Since then, only consignment fees received have been recognized in revenue instead of gross sales.

^{(3), (4)} The Group changed the financial year end date from December 31 to March 31 in 2020. Therefore, FY2021 and FY2022 show the major indicators of financial results for the twelve months ended March 31, 2021 (unaudited) and March 31, 2022 respectively.



Note: The Group has initially applied HKFRS 16 at 1 January 2019 using the full retrospective approach. Under this approach, figures in the 4 years earlier than 2019 (i.e. since 2015) are restated retrospectively. (1) In our electronic appliance department, the business model was changed from self-operation to consignment from August 2018. Since then, only consignment fees received have been recognized in revenue instead of gross sales.

⁽⁴⁾ Previous period: the six months ended 30 September 2021, hereinafter the same.

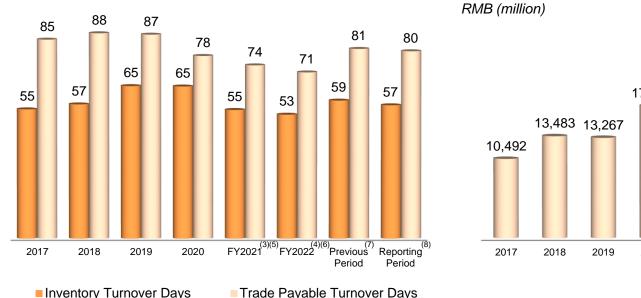


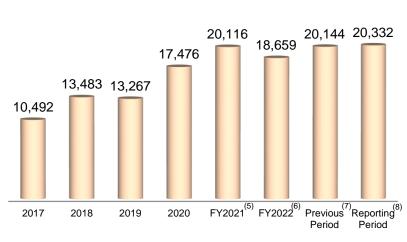
^{(2), (3)} The Group changed the financial year end date from December 31 to March 31 in 2020. Therefore, FY2021 and FY2022 show the major indicators of financial results for the twelve months ended March 31, 2021 (unaudited) and March 31, 2022 respectively.

Working Capital Days (1)

Financial Results Announcement

Net Cash Position (2)





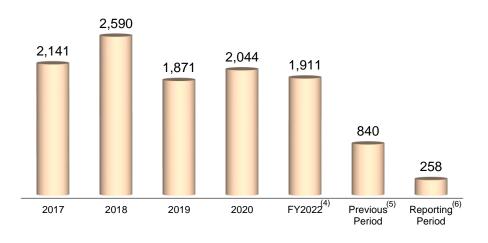
Net Cash

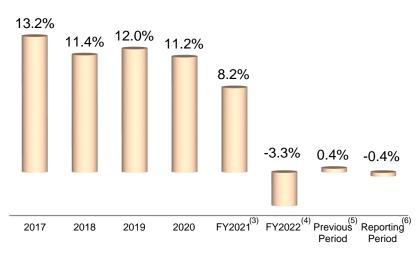
- (1) The inventory turnover days and trade payable turnover days are calculated on average balances of inventory and trade payable, together with the cost of inventory during past 12 months. Data has been restated since 2015.
- (2) The balance of net cash position is calculated as the sum of cash and cash equivalents, financial assets measured at FVPL and time deposits minus bank loans.
- (3) For the twelve months ended 31 March 2021, the inventory turnover days and trade payable turnover days are calculated on average balances of inventory and trade payable, together with the cost of inventory during past twelve months.
- (4) For the six months ended 31 March 2022, the inventory turnover days and trade payable turnover days are calculated on average balances of inventory and trade payable, together with the cost of inventory during past twelve months.
- (5), (6) The Group changed the financial year end date from December 31 to March 31 in 2020. Therefore, FY2021 and FY2022 show the major indicators of financial results for the twelve months ended March 31, 2021 (unaudited) and March 31, 2022 respectively.
- (7) Previous period: the six months ended 30 September 2021, hereinafter the same.
- (8) Reporting Period: the six months ended 30 September 2022, hereinafter the same.





RMB (million)





CAPEX

ROE

- (1) ROE is calculated by dividing net profit for the period by total equity amounts as at the end of the period.
- (2) The Group has initially applied HKFRS 16 at 1 January 2019 using the full retrospective approach. Under this approach, figures in the 4 years earlier than 2019 (i.e. since 2015) are restated retrospectively.
- (3) (4) The Group changed the financial year end date from December 31 to March 31 in 2020. Therefore, FY2021 and FY2022 show the major indicators of financial results for the twelve months ended March 31, 2021 (unaudited) and March 31, 2022 respectively.
- (5) Previous period: the six months ended 30 September 2021, hereinafter the same.
- (6) Reporting Period: the six months ended 30 September 2022, hereinafter the same.



Focus on offline needs of families with kids and the getting-old group, redefine the customer value of "shopping, experience, services and social", and become offline experience centers.

- The hypermarket remodeling version 2.0 was successfully duplicated in four stores, representing a much higher offline revenue growth than that of comparable stores. The modular remodeling will be duplicated quickly to other stores in this fiscal year.
- Adhere to product de-homogenization and upgrading so as to drive the growth of ticket size.
- Continue to optimize galleries' tenants mix, maintain at a low gallery vacancy rate in the industry amid the pandemic.

Focus on busy working persons who enjoy the convenience of online shopping, leverage near-fields advantages of store warehouses, and become online fulfillment centers.

- Provide offerings dedicated for online customers from various portals and optimize marketing schemes. The revenue of one-hour delivery business continues to grow at double digits with a sustainable profit model.
- The online order centralized processing capability developed during the pandemic in Shanghai has been implemented in stores nationwide to mitigate the negative impact in stores due to lockdown amid the pandemic.

Continue to develop the business models of RT-Super and RT-Mini for the multiformat development.

- As a "low-cost extension of RT-Mart", the Group will open new RT-Super stores cautiously.
- Continue to develop the business model of RT-Mini, focusing on community stores in Nantong City.



Develop the infrastructure of fresh product supply chain into core competitiveness to serve the multi-format and omni-channel development.

- Accelerate the infrastructure construction of fresh product processing centers, facilitate the development of processing center network and supply chain network.
- During the reporting period, more than 200 stores have switched the supply chains.

Endeavor to sustainable development.

Financial Results Announcement

For the six months ended 30 September 2022

- Endeavor to the long-term construction of Environmental, Social and Governance ("ESG") and to become a benchmark for green operation in the retail industry.
- Set a clear long-term goal of achieving carbon neutrality in its own operations by 2030.
- Focus on providing safe, healthy and high-quality products, and actively promote the development of sustainable green supply chain.
- Emphasize the concept of "people-oriented", and actively engage in pandemic control and disaster relief as well as various charity activities, so as to contribute to the society with actions.





新鲜・便宜・舒适・便利

Fresh - Inexpensive - Comfortable - Convenient